


**Service of Process Transmittal Summary**

**TO:** Paul Bech  
Chubb  
436 Walnut St  
Philadelphia, PA 19106-3703

**RE:** **Process Served in Ohio**

**FOR:** Federal Insurance Company (Domestic State: IN)

**ENCLOSED ARE COPIES OF LEGAL PROCESS RECEIVED BY THE STATUTORY AGENT OF THE ABOVE COMPANY AS FOLLOWS:**

**TITLE OF ACTION:** CAST NYLONS CO., LTD. vs. FEDERAL INSURANCE COMPANY

**DOCUMENT(S) SERVED:** Summons, Complaint, Attachment(s)

**COURT/AGENCY:** Lake County Court of Common Pleas, OH  
Case # 22CV001053

**NATURE OF ACTION:** Insurance Litigation

**PROCESS SERVED ON:** C T Corporation System, Columbus, OH

**DATE/METHOD OF SERVICE:** By Traceable Mail on 08/26/2022 postmarked on 08/19/2022

**JURISDICTION SERVED:** Ohio

**APPEARANCE OR ANSWER DUE:** Within 28 days after service

**ATTORNEY(S)/SENDER(S):** Anthony F. Stringer  
CALFEE, HALTER & GRISWOLD LLP  
1405 East Sixth Street  
Cleveland, OH 44114  
216-622-8200

**ACTION ITEMS:** CT has retained the current log, Retain Date: 08/26/2022, Expected Purge Date: 08/31/2022  
  
Image SOP  
  
Email Notification, Incoming Legal incominglegal@chubb.com

**REGISTERED AGENT CONTACT:** C T Corporation System  
4400 Easton Commons Way  
Suite 125  
Columbus, OH 43219  
800-448-5350  
MajorAccountTeam1@wolterskluwer.com

The information contained in this Transmittal is provided by CT for quick reference only. It does not constitute a legal opinion, and should not otherwise be relied on, as to the nature of action, the amount of damages, the answer date, or any other information contained in the included documents. The recipient(s) of this form is responsible for reviewing and interpreting the

**EXHIBIT "A"**



**CT Corporation**  
**Service of Process Notification**  
08/26/2022  
CT Log Number 542193463

included documents and taking appropriate action, including consulting with its legal and other advisors as necessary. CT disclaims all liability for the information contained in this form, including for any omissions or inaccuracies that may be contained therein.

CERTIFIED MAIL

Case: 1:22-cv-01707-PAG Doc #: 1-2 Filed: 09/22/22 3 of 10. PageID #: 9

Faith Andrews

CLERK OF COMM

LAKE COUNTY COURTHOUSE, WEST ANNEX

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FEDERAL INSURANCE COMPANY,  
4400 EASTON COMMONS WAY  
COLUMBUS, OH 43219

**SUMMONS**  
**COURT OF COMMON PLEAS**  
**LAKE COUNTY OHIO**

CAST NYLONS CO., LTD.  
Plaintiff

VS.

Case Number: **22CV001053**

Judge VINCENT A. CULOTTA

FEDERAL INSURANCE COMPANY, C/O CT CORPORATION SYS  
Defendant

To the following named DEFENDANT(S):

FEDERAL INSURANCE COMPANY, C/O CT CORPORATION SYS  
4400 EASTON COMMONS WAY  
COLUMBUS OH 43219

You have been named a Defendant in a complaint filed in the Lake County Court of Common Pleas, Lake County Courthouse, Painesville, Ohio. A copy of the complaint is attached hereto. The name and address of the plaintiff's attorney is:

ANTHONY F. STRINGER ESQ  
CALFEE HALTER & GRISWOLD LLP  
1405 EAST SIXTH STREET  
CLEVELAND OH 44114

You are hereby summoned and required to do the following:

1. Within 28 days after service of this Summons upon you, serve a copy of an Answer to the Complaint on the Plaintiff's Attorney or on the Plaintiff, if he/she has no attorney of record;
2. Within 3 days after you serve the Plaintiff or the Plaintiff's Attorney, file an Answer with your original signature with the Lake County Clerk of Court.

Calculations of time are exclusive of the day of service.

If you fail to appear and defend, judgment by default will be rendered against you for the relief demanded in the complaint.

Faith Andrews  
Clerk, Court of Common Pleas  
Lake County, Ohio  
25 N. Park Place  
Painesville OH 44077

By CRAIG ANDERSON  
Deputy Clerk

August 18, 2022

Filing # 79468 / 22CV001053 / CULOTTA, VINCENT A.

Lake Co Common Pleas Court, Clerk Faith Andrews 08/16/2022 03:12 PM

IN THE COURT OF COMMON PLEAS  
LAKE COUNTY, OHIO

CAST NYLONS CO., LTD.,	)	CASE NO. _____
	)	
4300 Hamann Parkway	)	JUDGE _____
Willoughby, Ohio 44094,	)	
	)	
Plaintiff,	)	<b>COMPLAINT</b>
	)	
v.	)	<b>[JURY DEMAND ENDORSED</b>
	)	<b>HEREON]</b>
FEDERAL INSURANCE COMPANY,	)	
	)	
c/o CT Corporation	)	
4400 Easton Commons Way	)	
Columbus, Ohio 43219,	)	
	)	
Defendant.	)	

Plaintiff, Cast Nylons Co., Ltd. ("Cast Nylons"), for its Complaint against Defendant, Federal Insurance Company (a Chubb Group of Insurance Companies Member) ("Federal"), alleges as set forth below.

1. Cast Nylons is an Ohio company with its principal place of business located at 4300 Hamann Industrial Parkway, Willoughby, Ohio 44094.
2. Federal is an Indiana insurance company, with its principal place of business in New Jersey.
3. Venue is proper in this Court because Lake County, Ohio is the county in which all or part of the claim for relief arose.
4. Cast Nylons manufactures and sells cast nylon goods.
5. On November 1, 2020, one of Cast Nylons' plate press production machinery units that had been in service for years abruptly and accidentally broke down.

6. Following the breakdown of its production machinery, Cast Nylons submitted an insurance coverage claim for its related losses under a property insurance policy that Cast Nylons purchased from Federal for the policy period 10/25/20-10/25/21, policy number 3576-52-70 (the “Policy”).

7. Pursuant to Rule 10(D) of the Ohio Rules of Civil Procedure, the Policy is not attached hereto because it is voluminous and Federal has a copy of the Policy.

8. Under the coverage grant in the Policy’s Form 80-02-1000 (Rev. 3-19), Federal insured “direct physical loss or damage to personal property.”

9. The Policy’s Endorsement Form 80-02-1311 (Rev. 1-15) similarly insured all of Cast Nylons’ production machinery, stating that Federal “will pay the amount of direct physical damage to production machinery . . . if such damage is caused by or results from abrupt and accidental breakdown of production machinery.”

10. Both of those coverage grants also insure against business income and extra expense losses.

11. Cast Nylons’ losses resulting from the breakdown of its production machinery triggered the Policies’ coverage grants, which Federal has not disputed.

12. Instead, without a reasonable justification and in bad faith, Federal wrongfully and repeatedly denied coverage for Cast Nylons’ losses, apparently based upon an erroneous misinterpretation and misapplication of exclusionary language in the Policy, for which Federal bears the burden of proof under Ohio Supreme Court precedent.

13. Not only did Federal repeatedly deny coverage in bad faith, but it also mishandled Cast Nylons’ claim in bad faith. Federal’s bad-faith claims handling practices included subjecting Cast Nylons to unreasonably long delays, as well as a continuing failure to substantively address

the analyses and opinions of Cast Nylons' multiple independent experts, which fully support Cast Nylons' coverage positions under the terms of the Policy.

#### **COUNT I – BREACH OF CONTRACT**

14. Cast Nylons incorporates the allegations in the preceding paragraphs hereof as if fully rewritten herein.

15. The Policy is a legally enforceable contract between Cast Nylons and Federal.

16. Cast Nylons has performed all terms and conditions required of it under the Policy.

17. Cast Nylons' losses resulting from the November 1, 2020 breakdown of its plate press production machinery unit are covered under the Policy's terms.

18. By wrongfully denying insurance coverage for Cast Nylons' losses, Federal has materially breached the Policy's terms.

19. As a direct and proximate result of Federal's breach of its contractual obligations owed to Cast Nylons under the Policy, Cast Nylons has incurred damages in excess of \$25,000.

20. Under Ohio law, Federal's wrongful denial of coverage entitles Cast Nylons to its attorney's fees and expenses incurred prior to and in connection with this lawsuit.

#### **COUNT II – BAD FAITH**

21. Cast Nylons incorporates the allegations in the preceding paragraphs hereof as if fully rewritten herein.

22. Under Ohio Supreme Court precedent, insurers owe their policyholders a tort-based duty of good faith when handling claims and making coverage determinations. When an insurer breaches that duty, its policyholder has a cause of action in tort that is distinct from the policyholder's breach of contract claim.

23. Federal has repeatedly acted in bad faith and without reasonable justification, both in handling Cast Nylons' insurance coverage claim and in denying coverage.

24. Specifically, Federal acted in bad faith and without reasonable justification by relying exclusively on an expert that failed to conduct a thorough investigation and examination of the subject equipment.

25. Federal further acted in bad faith and without reasonable justification by repeatedly inviting Cast Nylons to provide information that Cast Nylons viewed as supporting its insurance coverage claim. Cast Nylons submitted such information to Federal at considerable cost, including the reports of multiple independent experts establishing Cast Nylon's claim for coverage and explaining why Federal's expert was wrong. Federal repeatedly ignored and failed to substantively address this information. Rather, Federal continued to rely exclusively on its expert's incomplete and flawed investigation to deny coverage.

26. Federal further acted in bad faith and without reasonable justification by going long periods without communicating with Cast Nylons, and only responding when repeatedly asked to do so by Cast Nylons.

27. Federal further acted in bad faith and without reasonable justification when it repeatedly denied coverage without specifically setting forth the terms and conditions of the Policy upon which it relied and how those terms and conditions related to Federal's assessment of the claim information, including the multiple expert reports provided to Federal by Cast Nylons.

28. As a direct and proximate result of Federal's breaches of its duty of good faith owed to Cast Nylons, Cast Nylons has incurred damages in excess of \$25,000.

29. Under Ohio law, Federal's bad-faith misconduct entitles Cast Nylons to its attorney's fees and expenses incurred prior to and in connection with this lawsuit, along with punitive damages.

WHEREFORE, Cast Nylons prays this Court for the following relief:

(a) As to Count I, compensatory damages for the losses incurred by Cast Nylons resulting from the November 1, 2020 breakdown of its plate press production machinery unit that Federal has wrongfully refused to pay, plus interest, costs, expenses and the attorney's fees incurred by Cast Nylons prior to and in connection with this action.

(b) As to Count II, compensatory damages for the losses incurred by Cast Nylons resulting from Federal's bad-faith misconduct, plus interest, costs, expenses and the attorney's fees incurred by Cast Nylons prior to and in connection with this action, along with punitive damages.

Such other and further relief as this Court deems just and equitable.

Respectfully submitted,

/s/ Anthony F. Stringer

Anthony F. Stringer (0071691)

K. James Sullivan (0074211)

Thomas I. Michals (0040822)

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*Attorneys for Plaintiff, Cast Nylons Co., Ltd.*

**JURY DEMAND**

Plaintiff, Cast Nylons Co., Ltd., hereby requests a trial by jury on all triable issues.

Respectfully submitted,

/s/ Anthony F. Stringer

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K. James Sullivan (0074211)  
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*Attorneys for Plaintiff, Cast Nylons Co., Ltd.*